## UNITED STATES OF AMERICA BEFORE THE DEPARTMENT OF ENERGY OFFICE OF ELECTRICITY DELIVERY & ENERGY RELIABILITY

Mercuria Energy America, LLC	) Docket No. EA
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### APPLICATION OF MERCURIA ENERGY AMERICA, LLC. FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY INTO CANADA

Pursuant to section 202(a)(e) of the Federal Power Act (the "FPA"), 16 U.S.C., § 824a(e) and 10 C.F.R. §§ 205.300 *et seq*, Mercuria Energy America, LLC. (MEA) hereby submits this application ("Application") for authorization to export wholesale electricity from the United States to Canada for a five (5) year term. MEA respectfully requests expedited review of this Application and issuance of an order approving the Application within sixty (60) days. In support of this Application, MEA states as follows:

#### **DESCRIPTION OF APPLICANT**

The exact legal name of the Applicant is Mercuria Energy America, LLC. MEA, a Delaware corporation, is an energy marketing and trading company, authorized by the Federal Energy Regulatory Commission to make wholesale sales of electricity at market based rates, with its principal place of business at 20 E. Greenway Plaza, Suite 650, Houston, Texas 77046. MEA is a direct, wholly-owned subsidiary of Mercuria Energy Company, LLC (MEC), a Delaware limited liability company having its principal place of business in Houston, Texas. MEC is a direct, wholly-owned subsidiary of Mercuria Energy Group Holding S.A. (MEGHSA), a Swiss holding company. MEGHSA is a direct, wholly-owned subsidiary of Mercuria Energy Netherlands BV (MENBV), a Netherlands holding company. MENBV is a direct, wholly-owned subsidiary of Mercuria Energy Holdings (Singapore) Pte Ltd (MEHPTE), a Singapore holding company. MEHPTE is a direct, wholly-owned subsidiary of Mercuria Energy Group Ltd.

(MEGL), a Cyprus holding company. MEGL is a wholly-owned direct subsidiary of the ultimate parent company of the Mercuria companies, Mercuria Energy Group Holding Ltd., a British Virgin Island-based holding company.

#### **COMMUNICATIONS**

All communications regarding this application should be directed to:

Chloe Cromarty
Head of North American Compliance
20 E. Greenway Plaza, Suite 650
Houston, TX 77046
(832) 209-2336
ccromarty@mercuria.com

Mark Greenberg
Head of Legal – North America
20 E. Greenway Plaza, Suite 650
Houston, TX 77046
(832) 209-2335
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#### JURISDICTION OVER ACTIVITY SUBJECT TO THIS APPLICATION

Pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C., § 824a(e), the United States Department of Energy (DOE) has jurisdiction over the export of wholesale electricity from the Unites States to Canada. In order to effectuate this export activity, MEA will buy and sell wholesale electricity in the wholesale electric markets within the United States, and will export electricity transmitted across international transmission facilities to be utilized by Presidential permits issued pursuant to Executive Order 10485, as amended. Accordingly, MEA will rely upon its market based rate authority (MBRA) granted by the Federal Energy Regulatory Commission (FERC). Pursuant to its FERC MBRA, MEA is permitted to make wholesale sales of electric power and ancillary services in all regions. MEA is a Category 1 Seller in all regions

<sup>&</sup>lt;sup>1</sup> Letter Order Accepting Mercuria Energy America, Inc. et al Revised Market-Based Rate Tariff, Docket No. ER18-873 (April 5, 2018). Mercuria Energy America, Inc. changed its name to Mercuria Energy America, LLC, and FERC approved the name change for the tariff effective January 17, 2020 pursuant to a letter order issued under FERC docket no. ER20-813 issued on March 5, 2020.

except for the Southeast, where it is a Category 2 Seller. MEA is also registered as a Purchasing and Selling Entity, as defined by the North American Electric Reliability Corporation (NERC).

#### **DESCRIPTION OF TRANSMISSION FACILITIES**

Applicant hereby applies for authorization to export wholesale electricity to Canada over existing transmission interconnections between the United States and Canada. MEA requests authority to export electricity to Canada over any international transmission facility authorized by Presidential permit that is appropriate for open access transmission by third parties in accordance with the assessment made by the United States Department of Energy of the transmission limits for operation in the export mode, as well as over any international transmission facilities approved in the future.

## MEA'S ELECTRICITY EXPORT WILL NOT IMPAIR THE SUFFICIENCY OF ELECTRIC SUPPLY ON ITS SYSTEM AND WILL NOT IMPEDE THE REGIONAL COORDINATION OF ELECTRIC UTILTY PLANNING OR OPERATION

MEA does not currently own, operate or control electric transmission or distribution facilities in the United States over which the export of wholesale electricity could have a reliability, fuel use, or system stability impact, nor is it affiliated with any entity that owns, operates, or controls electric transmission or distribution facilities in the United States over which the export of wholesale electricity could have a reliability, fuel use, or system stability impact. MEA does not own, or operate generation anywhere in the United States<sup>2</sup>, nor is it affiliated with any entity that owns, operates or controls generation anywhere in the United States, therefore, the wholesale electricity that MEA will export using firm or interruptible transmission service will be purchased from other suppliers (i.e. generators, electric utilities and other power marketers) voluntarily, and

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<sup>&</sup>lt;sup>2</sup> MEA has the right to dispatch and purchase 844 MW of the output of the Lindsey Hill power plant located in the SOCO Control area.

therefore will be surplus to the needs of the selling entities. Accordingly, the proposed exports will not impair or tend to impede the sufficiency of electricity supplies in the United States or the regional coordination of electric utility planning or operations. Rather, it will conform to electric system requirements as they may change over time.

In previous orders granting authorization to export wholesale electricity to Canada, DOE has taken into consideration the unique nature of power marketers, like MEA, who do not have franchised service areas and, consequently, do not have native load obligations that could be impaired by exports. MEA offers this as additional supporting information to demonstrate that its export of wholesale electricity to Canada will not impair or tend to impede the sufficiency of electric supplies in the United States or the regional coordination of electric utility planning or operations.

MEA further states that it will comply with all applicable scheduling and reliability standards of the NERC.

#### COMPLIANCE WITH APPLICABLE REGULATIONS, POLICY AND LAWS

The export activity for which MEA requests authorization is consistent with the North American Free Trade Agreement and the energy policy of the United States – in that it will enhance efficiency and competition in the North American energy markets. MEA hereby commits to conduct all electricity exports in compliance with all applicable rules and regulations, including the standards and guidelines of NERC, Regional Reliability Councils, control area operators and the protocols, tariffs and manuals for all applicable regional transmission organizations or independent system operators.

Because the proposed exports will occur over existing international transmission facilities, MEA respectfully submits that the Application qualifies for a categorical exclusion

under the National Environmental Policy Act of 1969, such that neither an environmental assessment nor an environmental impact statement is required.

#### **EXHIBITS**

Pursuant to 10 C.F.R. 205.303, the following indicated exhibits are attached hereto:

Exhibit A: Agreements – Not applicable. MEA is requesting blanket authority; authority is not being requested pursuant to a specific agreement.

Exhibit B: Legal Opinion of Mercuria's Counsel

Exhibit C: Transmission System Information

Exhibit D: Non-U.S. Applicant's Power of Attorney – Not Applicable

Exhibit E: Statement of Corporate Relationship or Existing Contract Which in Any Way Relates to the Control or Fixing of Electric Power

Exhibit F: Operating Procedures Regarding Available Capacity and Energy – Not applicable

#### **APPENDICES**

Appendix A: Verification

#### SERVICE OF APPLICATION

Pursuant to 10 C.F.R. 205.302(h), a copy of this Application is being provided to

#### FERC:

Federal Energy Regulatory Commission Attn: Ms. Kimberly Bose 888 First St. NE Washington, DC 20426

#### **CONCLUSION**

For good cause shown, MEA respectfully requests the DOE issue expedited approval of this application for blanket authorization to export electricity to Canada for a period of five years.

Respectfully,

Cody Moore

Director and President

Mercuria Energy America, Inc.

Dated: November 30, 2020

# **Exhibit B Opinion of Counsel**



November 25, 2020

Mr. Christopher Lawrence United States Department of Energy Office of Electricity Delivery and Reliability 0E-20, Room 8G-024 1000 Independence Ave., SW Washington, DC 20585

Re: Application of Mercuria Energy America, LLC for Authority to Export Electricity to Canada (Docket No. EA - )

#### Dear Mr. Lawrence:

I am the Head of Legal — North America for all of the indirect, wholly owned subsidiaries of Mercuria Energy Group Holding Ltd. formed in and operating in the United States of America and Canada. In such capacity, I also act as in-house counsel to Mercuria Energy America, LLC (MEA), and hereby represent MEA in such capacity in connection with its Application for Authority to Export Electricity to Canada (the "Application").

Based on my review of MEA's formation and operating documentation and the authorizations granted to MEA therein (collectively, the "Organization Documentation"):

- The export of electricity described in the Application is within the corporate authorization of MEA as set out in the Organization Documentation.
- In accordance with the Organization Documentation, MEA's officers are authorized to make and provide the Application and to undertake all actions necessary for the provision of the Application, including, once approved, the undertaking of exporting electricity into Canada in the manner described in the Application.

In rendering this opinion, I have relied solely on the Organization Documentation of MEA made available to me by MEA, including, but not limited to, its formation and authorization documentation. Such Organization Documentation confirms the general authorization of MEA to engage in, among other activities, the business of trading of electricity and to qualify for such purpose in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for MEA to transact its business.

Mr. Christopher Lawrence United States Department of Energy Office of Electricity Delivery and Reliability November 25, 2020 Page 2

For purposes of this opinion, I have assumed that all Organization Documentation provided to me has been properly implemented and that all individuals whose signatures appear on any one or more of the Organization Documentation made available to me are the correct and accurate signatures of each such officer whose name appears therein and thereon.

I am furnishing this opinion solely for your exclusive use in connection with the Application. This opinion may not be relied upon for any other purpose or relied upon by or furnished to any other person without my express written consent.

Sincerely,

Mark L. Greenberg,

Head of Legal – North America

In-House Counsel to

Mercuria Energy America, LLC

# **Exhibit C Transmission System Information**

Owner	Location	Voltage	Permit No.
Bangor Hydro-Electric Company	Baileyville, ME	345-kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46
CHPE, LLC	Champlain, NY	±230-kV DC	PP-481
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission	Detroit, MI	230-kV	PP-230
Company	Marysville, MI	230-kV	PP-230
	St. Claire, MI	230-kV	PP-230
	St. Claire, MI	345-kV	PP-230
ITC Lake Erie Connector	Erie County, PA	320-kV	PP-412
Highgate Joint Owners	Highgate, VT	120-kV	PP-82-5
Long Sault, Inc.	Massena, NY	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME	69 <b>-</b> kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Madawaska, ME	138-kV	PP-29
	Aroostook, ME	2-69-kV	PP-29
Minnesota Power, Inc.	International Falls, MN	115-kV	PP-78
Minnesota Power, Inc.	Roseau County, MN	500-kV	PP-398
Minnkota Power Cooperative	Roseau County, MN	230-kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230-kV	PP-305
New York Power Authority	Massena, NY	765-kV	PP-56
		-230-kV	PP-25
	,	-230-k V 2-345-kV	PP-74

Niagara Mohawk Power Corp.	Devils Hole, NY	230-kV	PP-190
Northern States Power Company	Red River, ND Roseau County, MN Rugby, ND	230-kV 500-kV 230-kV	PP-45 PP-63 PP-231
Sea Breeze Olympic Converter LI	P Port Angeles, WA	±450-kV DC	PP-299
TDI New England	Alburgh, VT	±320-kV DC	PP-400
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co	. Norton, VT	±450-kV DC	PP-76

### Exhibit D

## Statement of Corporate Relationship Which in Any Way Relates to the Control of Electric Power

Mercuria Energy America, LLC (MEA), pursuant to a tolling agreement, has the right to dispatch and purchase 844 MW of output from the Tenaska Lindsay Hill facility ("the Lindsay Hill facility"). The Lindsay Hill facility is owned by Tenaska Alabama Partners LP and is located in the SOCO control area. Aside from the Lindsey Hill tolling agreement, neither MEA nor any of its affiliates own or control any generation in in the United States. Accordingly, the proposed exports will not impair or tend to impede the sufficiency of electricity supplies in the United States or the regional coordination of electric utility planning or operations.

## **Appendix A Verification**

#### VERIFICATION

I, Cody Moore, being authorized to execute this Verification and having knowledge of the matters set forth in this Application of Mercuria Energy America, LLC hereby verify that the content thereof are true and correct to the best of my knowledge and belief.

Cody Moore

President

Mercuria Energy America, LLC

Onthia Horeno
Notary Name (printed)

12-23-2023 My Commission Expires

CYNTHIA MORENO Notary Public, State of Texas Comm. Expires 12-23-2023